

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

DEFINITIONS - For purposes of these STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS, the following terms have the specific meanings associated with them:

- A. Agreement - Means any State written agreement, lease, purchase order, or contract, including solicitation or specification documents and the accepted portions of the submission for the acquisition of property.
 - B. Contractor - A vendor who has been awarded an acquisition contract or Agreement.
 - C. State - This means the state of Idaho including each agency unless the context implies other states of the United States.
1. TERMINATION: The State may terminate the Agreement (and/or any order issued pursuant to the Agreement) when the Contractor has been provided written notice of default or non-compliance and has failed to cure the default or non-compliance within a reasonable time, not to exceed thirty (30) calendar days, after receipt of such notice. If the Agreement is terminated for default or non-compliance, the Contractor will be responsible for any direct costs and/or damages incurred by the State for placement of a new contract. The State, upon termination for default or non-compliance, reserves the right to take any legal action it may deem necessary including, without limitation, offset of damages against payment due.
 2. RENEWAL OPTIONS: Upon mutual agreement by both parties (unless otherwise modified by a special contract term, condition, or specification), this Agreement may be extended under the same terms and conditions for one (1) year intervals or the time interval equal to the original contract period.
 3. PRICES: Prices shall not fluctuate for the period of the Agreement and any renewal or extension, unless otherwise specified by the State in the bidding documents or other terms of the Agreement. Product prices shall remain valid for the time of the original order date, including change orders that may extend delivery beyond the original delivery date. Prices include all costs normally associated with shipping and delivery to the F.O.B. destination address.
 4. CHANGES/MODIFICATIONS: Changes of specifications or modification of this Agreement in any particular can be effected only upon written consent of the State, but not until any proposed change or modification has been submitted in writing, signed by the party proposing the said change.
 5. CONFORMING GOODS OR SERVICES: The goods or services shall minimally conform in all respects with the specifications or the State's solicitation documents. In event of nonconformity, and without limitation upon any other remedy, the State shall have no financial obligation in regard to the non-conforming goods or services.
 6. OFFICIAL, AGENT AND EMPLOYEES OF THE STATE NOT PERSONALLY LIABLE: In no event shall any official, officer, employee or agent of the state of Idaho be in any way personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this Agreement. This section shall not apply to any remedies in law or at equity against any person or entity that exist by reason of fraud, misrepresentation or outside the terms of this Agreement.
 7. CONTRACT RELATIONSHIP: It is distinctly and particularly understood and agreed between the parties hereto that the state of Idaho is in no way associated or otherwise connected with the performance of any service under this Agreement on the part of the Contractor or with the employment of labor or the incurring of expenses by the Contractor. Said Contractor is an independent contractor in the performance of each and every part of this Agreement, and solely and personally liable for all labor, taxes, insurance, required bonding and other expenses, except as specifically stated herein, and for any and all damages in connection with the operation of this Agreement, whether it may be for personal injuries or damages of any other kind. The Contractor shall exonerate, indemnify and hold the state of Idaho harmless from and against and assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security, workman's compensation and income tax laws with respect to the Contractor or Contractor's employees engaged in performance under this Agreement. The Contractor will maintain any applicable workman's compensation insurance and will provide certificate of same if requested. There will be no exceptions made to this requirement and failure to provide a certification of workman's compensation insurance may, at the State's option, result in cancellation of this Agreement or in a contract price adjustment to cover the State's cost of providing any necessary workman's compensation insurance. The State does not assume liability as an employer.
 8. ANTI-DISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY CLAUSE: Acceptance of this Agreement binds the Contractor to the terms and conditions of Section 601, Title VI, Civil Rights Act of 1964 in that "No person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." In addition, "No other wise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance" (Section 504 of the Rehabilitation Act of 1973). Furthermore, for contracts involving federal funds, the applicable provisions and requirements of Executive Order 11246 as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 701 of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), 29 USC Sections 621, et seq., the Age Discrimination Act of 1975, Title IX of the Education

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Amendments of 1972, U.S. Department of Interior regulations at 43 CFR Part 17, and the Americans with Disabilities Action of 1990, are also incorporated into this Agreement. The Contractor must include this provision in every subcontract relating to purchases by the State to insure that subcontractors and vendors are bound by this provision.

9. **TAXES:** The state of Idaho is generally exempt from payment of state sales and use taxes and from personal property tax for property purchased for its use. The State is generally exempt from payment of federal excise tax under a permanent authority from the District Director of the Internal Revenue Service (Chapter 32 Internal Revenue Code [No. 82-73-0019K]). Exemption certificates will be furnished as required upon written request by the Contractor. If the Contractor is required to pay any taxes incurred as a result of doing business with the state of Idaho, it shall be solely and absolutely responsible for the payment of those taxes. If, after the effective date of this Contract, an Idaho political subdivision assesses, or attempts to assess, personal property taxes not applicable or in existence at the time this Contract becomes effective, the state of Idaho will be responsible for such personal property taxes, after reasonable time to appeal. In no event shall the state of Idaho be responsible for personal property taxes affecting items subject to this Contract at the time it becomes effective.
10. **SAVE HARMLESS:** Contractor shall indemnify and hold harmless the state of Idaho from any and all liability, claims, damages, costs, expenses, and actions, including reasonable attorney fees, caused by or that arise from the negligent or wrongful acts or omissions of the Contractor, its employees, agents, or subcontractors under this Agreement that cause death or injury or damage to property or arising out of a failure to comply with any state or federal statute, law, regulation or act. **IN NO EVENT WILL THE CONTRACTOR BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES.** Contractor shall have no indemnification liability under this section for death, injury, or damage arising out of the negligence or misconduct of the State.
11. **ORDER NUMBERS:** Agreement order numbers or purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.
12. **CONTRACTOR RESPONSIBILITY:** The Contractor shall be required to assume responsibility for production and delivery of all material and services included in this Agreement, whether or not the Contractor is the manufacturer or producer of such material or services. Further, the Contractor will be the sole point of contact on contractual matters, including payment of charges resulting from the use or purchase of items selected.
13. **SUBCONTRACTING:** Unless otherwise allowed by the State in this Agreement, the Contractor shall not, without written approval from the State, enter into any subcontract relating to the performance of this Agreement or any part thereof. Approval by the State of Contractor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve the Contractor of responsibility for the professional and technical accuracy and adequacy of the work. The Contractor shall be and remain liable for all damages to the State caused by negligent performance or non-performance of work under the Agreement by Contractor's subcontractor or its sub-subcontractor.
14. **STATE OF IDAHO MINIMUM WAGE LAW:** It will be the responsibility of the Contractor to fully comply with Idaho law regarding the minimum wage law for residents hired to help on projects and jobs in Idaho.
15. **COMMODITY STATUS:** It is understood and agreed that any item offered or shipped shall be new and in first class condition and that all containers shall be new and suitable for storage or shipment, unless otherwise indicated by the State in the specifications. Demonstrators, previously rented, refurbished, or reconditioned items are not considered "new" except as specifically provided in this section. "New" means items that have not been used previously and that are being actively marketed by the manufacturer or Contractor. The items may contain new or minimal amounts of recycled or recovered parts that have been reprocessed to meet the manufacturer's new product standards. The items must have the state of Idaho as their first customer and the items must not have been previously sold, installed, demonstrated, or used in any manner (such as rentals, demonstrators, trial units, etc.). The new items offered must be provided with a full, unadulterated, and undiminished new item warranty against defects in workmanship and materials. The warranty is to include replacement, repair, and any labor for the period of time required by other specifications or for the standard manufacturer or vendor warranty, whichever is longer.
16. **SHIPPING, DELIVERY, INSTALLATION, AND ACCEPTANCE:** All orders will be shipped directly to the ordering departments at the location specified, on an F.O.B. Destination freight prepaid basis with all transportation, unloading, uncrating, drayage, or other associated delivery and handling charges paid by the Contractor. "F.O.B. Destination", unless otherwise specified in the Agreement or solicitation documents, shall mean delivered to the State Agency Receiving Dock or Store Door Delivery Point. The Contractor shall deliver all orders as specified and complete installation, if required, within the number of days after receipt of order (A.R.O.) offered, unless otherwise specified in the solicitation documents. Time for delivery commences at the time the order is received by the Contractor. When the purchase price does not include installation, acceptance shall occur fourteen (14) calendar days after delivery, unless the State has notified the Contractor in writing that the order does not meet the State's specification requirements or otherwise fails to pass the Contractor's established test procedures or programs. When installation is included, acceptance shall occur upon completion of installation. If an order is for support or other services, acceptance shall occur fourteen (14) calendar days after completion, unless the State has notified the Contractor in writing that the order does not meet the State's requirements or otherwise fails to pass the Contractor's established test procedures or programs.
17. **RISK OF LOSS:** Risk of loss and responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's

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warranty obligations. Such loss, injury or destruction shall not release the Contractor from any obligation under this Agreement. If installation is requested by the State or specified in the State's bidding documents, pricing shall include all charges associated with a complete installation at the location specified.

18. **INVOICING:** ALL INVOICES are to be sent directly to the ORDERING DEPARTMENT ONLY. The Agreement number and/or purchase order number is to be shown on all invoices. In no case are invoices to be sent to the Division of Purchasing.
19. **ASSIGNMENTS:** No contract or order or any interest therein shall be transferred by the Contractor to whom such contract or order is given to any other party, without the approval in writing of the Administrator, Division of Purchasing. Transfer of a contract without approval shall cause the annulment of the contract so transferred, at the option of the State. All rights of action, however, for any breach of such contract by the contracting parties are reserved to the State. (Idaho Code Section 67-5726(1))
20. **PROHIBITED CONTRACTS:** No member of the legislature or officer or employee of any branch of the state government shall directly himself, or by any other person execute, hold or enjoy, in whole or in part, any contract or agreement made or entered into by or on behalf of the state of Idaho, if made by, through or on behalf of the department in which he is an officer or employee or if made by, through or on behalf of any other department unless the same are made after competitive bids. (Idaho Code Section 67-5726(1)).
21. **PAYMENT PROCESSING:** Idaho Code Section 67-5735 reads as follows: "Within ten (10) days after the property acquired is delivered as called for by the bid specifications, the acquiring agency shall complete all processing required of that agency to permit the contractor to be reimbursed according to the terms of the bid. Within ten (10) days of receipt of the document necessary to permit reimbursement of the contractor according to the terms of the contract, the State Controller shall cause a warrant to be issued in favor of the contractor and delivered."
22. **GOVERNMENT REGULATIONS:** Contractor guarantees that all items meet or exceed those requirements and guidelines established by the Occupational Safety and Health Act, Consumer Product Safety Council, Environmental Protection Agency, or other regulatory agencies.
23. **SAFETY INFORMATION:** All chemicals, equipment and materials proposed and/or used in the performance of this Agreement must conform to the standards required by the William-Steiger Occupational Safety and Health Act of 1970. Contractor must furnish all Material Safety Data Sheets (MSDS) for any regulated chemicals, equipment or hazardous materials at the time of delivery.
24. **HOT GOODS:** The Contractor hereby certifies that all goods provided under this Agreement are produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and the regulation and orders of the United States Department of Labor issued under Section 14 thereof and other applicable provisions of the Fair Labor Standards Act.
25. **PATENTS AND COPYRIGHT INDEMNITY**
 - a) Contractor shall indemnify and hold the State harmless and shall defend at its own expense any action brought against the State based upon a claim of infringement of a United States patent, copyright, trade secret, or trademark for items purchased under this Agreement. Contractor will pay all damages and costs finally awarded and attributable to such claim, but such defense and payments are conditioned on the following: (i) that Contractor shall be notified promptly in writing by the State of any notice of such claim; (ii) that Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise and State may select at its own expense advisory counsel; and (iii) that the State shall cooperate with Contractor in a reasonable way to facilitate settlement or defense of any claim or suit.
 - b) Contractor shall have no liability to the State under any provision of this clause with respect to: any claim of infringement that is based upon (i) the combination or utilization of the item(s) with machines or devices not provided by the Contractor other than in accordance with Contractor's previously established specifications; (ii) the modification by the State of the item(s); or (iii) the use of the item(s) not in accordance with Contractor's previously established specifications.
 - c) Should the item(s) become, or in Contractor's opinion be likely to become, the subject of a claim of infringement of a United States patent, the State shall permit the Contractor, at its option and expense, either to procure for the State the right to continue using the item(s), to replace or modify the item(s) so that it becomes non-infringing, or to grant the State a full refund for the purchase price of the item(s) and accept its return.
26. **CONFIDENTIAL INFORMATION:** Pursuant to this Agreement, Contractor may collect, or the State may disclose to Contractor, financial, personnel or other information that the State regards as proprietary or confidential ("Confidential Information"). Confidential Information shall belong solely to the State. Contractor shall use such Confidential Information only in the performance of its services under this Agreement and shall not disclose Confidential Information or any advice given by it to the State to any third party, except with the State's prior written consent or under a valid order of a court or governmental agency of competent jurisdiction and then, only upon timely notice to the State. The

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State may require that Contractor's officers, employees, agents or subcontractors agree in writing to the obligations contained in this section. Confidential Information shall be returned to the State upon termination of this Agreement. The confidentiality obligation contained in this section shall survive termination of this Agreement. "Confidential Information" shall not include data or information that:

- a) Is or was in the possession of Contractor before being furnished by the State, provided that such information or other data is not known by Contractor to be subject to another confidentiality agreement with or other obligation of secrecy to the State;
- b) Becomes generally available to the public other than as a result of disclosure by Contractor; or
- c) Becomes available to Contractor on a non-confidential basis from a source other than the State, provided that such source is not known by Contractor to be subject to a confidentiality agreement with or other obligation of secrecy to the State.

- 27. **USE OF THE STATE OF IDAHO NAME:** Contractor agrees that it will not, prior to, in the course of, or after performance under this Agreement use the State's name in any advertising or promotional media as a customer or client of Contractor without the prior written consent of the State.
- 28. **APPROPRIATION BY LEGISLATURE REQUIRED:** It is understood and agreed that the State is a government entity and this Agreement shall in no way or manner be construed so as to bind or obligate the state of Idaho beyond the term of any particular appropriation of funds by the State's Legislature as may exist from time to time. The State reserves the right to terminate this Agreement in whole or in part (or any order placed under it) if, in its judgment, the Legislature of the state of Idaho fails, neglects, or refuses to appropriate sufficient funds as may be required for the State to continue such payments. All affected future rights and liabilities of the parties hereto shall thereupon cease within ten (10) calendar days after notice to the Contractor. It is understood and agreed that the State's payments herein provided for shall be paid from Idaho State Legislative appropriations and, in some instances, direct federal funding.
- 29. **SPECIAL TERMS GOVERN:** In the event of any conflict between these standard terms and conditions and any special terms and conditions included in the solicitation, the special terms and conditions will govern.
- 30. **FORCE MAJEURE:** Neither party shall be liable or deemed to be in default for any Force Majeure delay in shipment or performance occasioned by unforeseeable causes beyond the control and without the fault or negligence of the parties, including, but not restricted to, acts of God or the public enemy, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, unusually severe weather, provided that in all cases the Contractor shall notify the State promptly in writing of any cause for delay and the State concurs that the delay was beyond the control and without the fault or negligence of the Contractor. If reasonably possible, the Contractor shall make every reasonable effort to complete performance as soon as possible.
- 31. **GOVERNING LAW AND SEVERABILITY:** This Agreement shall be construed in accordance with, and governed by the laws of the state of Idaho. Except to the extent the provisions of the Agreement are clearly inconsistent therewith, the Agreement shall also be governed by the applicable provisions of the Idaho Uniform Commercial Code (IUCC). To the extent this Agreement entails delivery or performance of services, such services shall be deemed "goods" within the meaning of the IUCC, except where deeming such services as "goods" would result in a clearly unreasonable interpretation. Any action to enforce the provisions of this Agreement shall be brought in state district court in Ada County, Boise, Idaho. In the event any term of this Agreement is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in force.
- 32. **ENTIRE AGREEMENT:** This Agreement, with the State's Invitation to Bid, Request for Proposal, or Request for Quotation, including any addenda (such deemed incorporated by reference) and the vendor's response, to the extent it is not in conflict with the specifications or the States terms and conditions (such document deemed incorporated by reference), constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede all previous bids, proposals, or quotations, both oral and written, discussions, representations, commitments, and all other communications between the parties. Where terms and conditions specified in the State's documents or the Contractor's response differ from those specifically stated in this Agreement, the terms and conditions of this Agreement shall apply. This Agreement may not be released, discharged, changed or modified except by an instrument in writing signed by a duly authorized representative of each of the parties. The terms of the Agreement shall prevail notwithstanding any variances with the terms and conditions of any other order submitted by the state of Idaho.